

LEGISLATIVE UPDATE



Week of May 18, 2020

State Issues

May Revise and Budget Hearings

This week more hearings were scheduled to explore Governor Newsom's May Revise Budget Proposal, which includes significant cuts to health and human services. On Monday, the Assembly Budget Subcommittee on Health and Human Services, chaired by Dr. Joaquin Arambula, heard testimony that focused on the human services cuts in the budget that included eliminating the Multipurpose Senior Services Program, reducing childcare subsidies and reducing support for food banks. On Tuesday, they heard testimony on the health care cuts, including the elimination of hearing aids for children in Medi-Cal, substantial cuts to health care clinics, and cuts to Medi-Cal Managed Care plans and hospitals.

Following the presentation by the Department of Finance on some of the details of their proposed cuts, the Legislative Analyst Office outlined some of the impacts of those cuts – *see links to the LAO analyses below*. After the LAO's presentation there were several hours of (telephonic) public testimony, mostly from Californians who rely on the services proposed to be cut either for themselves or their family members.

The Senate Health and Human Services Budget Subcommittee is set to meet this coming Sunday, May 24, beginning at 9:00am. It will also focus on the May Revise, and they have indicated no stakeholder proposals will be heard. You can watch the hearing at www.senate.ca.gov.

LAO Report on Human Services Budget Proposals: <https://lao.ca.gov/handouts/socservices/2020/May-Revision-Human-Services-Proposals-051820.pdf>

LAO Report on Health Care Budget Proposals: <https://lao.ca.gov/handouts/health/2020/May-Revision-Health-Proposals-051920.pdf>

Assembly Health Committee

This week, the Assembly Health Committee heard dozens of bills. Following are a few bills that were approved and now await action in Appropriations Committee within the next few weeks:

- **AB 2037 (Wicks)** as introduced, would prohibit hospitals from closing any supplemental service during a health-related state of emergency, unless an excused authorization is provided by the Department of Public Health, and would impose exorbitant fines. The measure would also require a hospital during these types of emergencies to

(more)

<p>Assembly Health Committee (continued)</p>	<p>first offer the sale of their hospital to the state, city, and county at “fair market rate,” as determined by the Attorney General and force the hospital to remain operational while the state makes its assessment and potential offer. This bill was opposed by the Alliance and other hospital advocates, and we were successful in getting these sections of the bill removed. The Alliance continues to review these new amendments to the bill.</p> <ul style="list-style-type: none"> ▪ AB 2464 (Aguiar Curry) which is sponsored by the California Children’s Hospital Association, would expand behavioral health telehealth services for children. ▪ AB 2830 (Wood) will expand on the concept of an All Claims Payer Database, which will collect health care data from a variety of providers and insurers to better understand rates and payments. ▪ Dr. Wood pulled from the hearing his bill, AB 2817, aimed at creating an Office of Health Care Affordability and plans to bring the concept back next year. This bill would have implemented an independent commission to review all health care expenses and had the potential to cap the rates paid to providers if they exceed the “allowable” amount of growth.
<p>Federal Issues</p>	
<p>HEROES Act</p>	<p>The House of Representatives approved HR 6800, the HEROES Act, that provides additional funding and resources for health care providers, COVID-19 testing and protective equipment, as well as provide relief for the Medicaid program and assistance for those losing employer-based health coverage during the pandemic. The bill also addresses additional areas of need in the social safety net including assistance for housing and nutrition programs. Senate leaders do not intend to take up HR 6800, and instead will craft their own smaller bill over the next several weeks, giving July as the target for a probable vote on a Senate COVID-19 supplemental. In light of this, the hospital community is being encouraged to contact your Senate representative to urge the Senate to move quickly on the next COVID-19 supplemental.</p>
<p>Provider Relief Fund Updates</p>	<p>The Department of Health and Human Services has published updates to an FAQ addressing the use of the Provider Relief Fund and the process to complete attestations – see https://www.hhs.gov/sites/default/files/provider-relief-fund-general-distribution-faqs.pdf. To date, HHS has dispersed \$72.4 billion of the \$175 billion Provider Relief Fund, leaving \$102.6 billion yet to be allocated. Recent FAQ updates address key areas of concern for providers, including potential overpayments, reporting requirements, and the ban on balance billing for Relief Fund recipients.</p>

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